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IMPLEMENTATION OF THE REFORM: COOPERATION WITH EUROPEAN INSTITUTIONS AND PAN-EUROPEAN ORGANIZATIONS AND SUB-REGIONAL ORGANIZATIONS

Note by the Executive Secretary

• In line with the reform, the ECE has strengthened its working relationships on a sectoral basis with the other regional organizations and institutions working in the same areas. This sectoral cooperation proves to be successful in avoiding duplication and promoting joint undertakings, and it will therefore be actively pursued in the future.

• The ECE seeks also to reinforce its cooperation with the other pan-European organizations addressing issues of regional integration in fields complementary to ECE ones. Initiatives may need to be taken in order to further develop joint assessments and shared goals, which may lead to a common strategy and subsequent cooperative actions.

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1. The relations between the ECE and other organizations and institutions of global, regional and sub-regional character have inter alia been guided by the concern for more efficient use of resources and avoiding duplication and inconsistencies. Today, these relations have to take a new dimension to meet the global and regional challenges facing Europe: the global crisis, the transition process and the enlargement of the European Union. Pan-European cooperation is therefore more necessary than ever.

2. **The challenges...**

(i) The instability produced by the recent crises in the foreign exchange and capital markets, gradually transforming into a social crisis on an unprecedented scale, has called for a closer global partnership cooperation, based on shared strategic thinking and producing value added generated by synergy effects. In particular, the multidimensional character of the crisis calls for new approaches in growth policies, social development, governance, trade and finance.

(ii) In Europe, the transition process adds to the uncertainties created by the crisis. The difficulties of transition, an extremely complex and painful process of building democracy and market economy, have not been successfully overcome in many countries, thus contributing to lack of stability and aggravating the consequences of crises. A fundamental task for the European organizations and institutions is to seek a common response to transition problems.

(iii) The inclusive process of enlargement of the European Union is an important part of Europe's cohesion but, for many countries, the perspective of their accession to the EU is too distant an objective and opportunity to be used as a stimulus for change and growth. Completion of Europe, an historic and unprecedented enterprise, will happen only if the know-how and achievements of all those responsible are brought together and linked into a coherent strategy.

3. **... call for more interagency cooperation.** The transition process and the new phenomena challenging development in Europe, produced or exposed by crises, call for a new dimension of the cooperation between pan-European institutions. The needs of Europe could indeed be better served if guided by a common strategy emerging from the shared assessment of issues and problems, a stronger policy cohesion and concerted problem-solving activities. Within this framework, the specific functions of ECE in its areas of expertise (norm- and standard-setting, policy analysis and technical assistance) would be maximized while benefiting from the proven advantages of the other organizations involved. For each of the three above challenges, the

inter-institutional cooperation and the role of ECE could be shaped as follows:

(i) Roots of global crises, their character, their impact and their solution could be better analysed and explored through such cooperation. ECE has been strongly involved in the on-going debate on economic development and policy issues in the region, and is therefore able to contribute to a better understanding of factors and processes which are at the heart of pending crises and to setting the agenda for more lengthy national and regional dialogues on reforms and policies.

(ii) In view of the interdependencies between the economic, social and institutional aspects of the transition process, a broader dialogue among European institutions, addressing all these dimensions, would help to design more relevant policies particularly for institution and legal infrastructure building, law enforcement and sustained growth. The ECE is prepared to contribute its well-established expertise on economic and institutional challenges of transition to this debate.

(iii) Pursuing the objective of a united and integrated Europe is a process which requires good communication between those involved and respect for the work of partners. Along this line, the ECE will continue to intensify and strengthen its cooperation with other global, regional and sub-regional entities - a major direction already provided by the reform adopted by the Commission at its fiftieth anniversary in 1997.

4. Over the decades, the ECE member States have often manifested their farsightedness in undertaking actions which contribute to the unity of the European continent. With the entry into the new millennium, this unity is a goal to be actively pursued by member States in the three pan-European institutions, the OSCE, the Council of Europe and the ECE. The time has come to make this common goal explicit and to give it a strong political support. An initiative, at the highest political level, which would forge a common vision of Europe and assign the three pan-European institutions the task of achieving it in their respective areas of competence, would serve this purpose.

5. Similarly, the necessity of inter-institution cooperation is also found between the UN entities when it comes to applying in Europe the global objectives of the United Nations. A major conclusion of the Regional Interagency Meeting chaired in Geneva by the Deputy Secretary-General was precisely to underline the need for a common understanding of trends and for common goals for the UN entities active in the region. (See document E/ECE/1370)

6. The following paragraphs describe the efforts made to strengthen cooperation between ECE and regional or subregional entities and institutions along the lines set forth the Plan of Action and by the Commission at its fifty-second session. The emphasis put last year on cooperation in precise sectoral activities has proved to be fruitful and should be pursued.

I. COOPERATION WITH REGIONAL ENTITIES

Organization for Security and Cooperation in Europe (OSCE)

7. Cooperation with the OSCE in areas related to the economic dimension of security has intensified. This is illustrated by two main events in 1998, the Brainstorming seminar on the economic dimension of the Charter on European Security (Geneva, November 1998) and the substantive contributions to the sixth OSCE Economic Forum (Prague, June 1998). In addition ECE contributed to workshops and seminars organized by OSCE.

8. The brainstorming seminar was organized by ECE at the initiative of the presidency of the OSCE and in consultation with the coordinator of OSCE economic and environmental activities. It brought together government officials and academics. Two main issues were discussed: the conceptual framework of security and the cooperation between OSCE and ECE. The seminar helped to improve understanding of the activities of the two organizations, the way they complement each other and how the cooperation could be further improved. On substance, it emerged from the meeting that there was no comprehensive theoretical framework linking economic variables to security and therefore no way to draw definite conclusions of early warning economic indicators. The best way to assess security risks in countries affected by tensions or crisis would be multidisciplinary fact finding missions including an economist.

9. ECE participated in the sixth OSCE Economic Forum and prepared a major background paper for each of the two segments of this meeting: the implementation of the participating States' commitments in the OSCE economic dimension; and energy security in the ECE/OSCE region.

10. ECE also participated in and provided a paper for the OSCE Conference on Economy, Social Security and Democracy (Minsk, Belarus, September 1998) and organized, in response to a recommendation by the OSCE Economic Forum, an energy efficiency business briefing Seminar on Commercial Bank Financing of Energy Efficiency Projects in Central and Eastern Europe (Prague, Czech Republic, January 1999).

11. ECE hosted the preparatory meeting to the Nantes Conference on subregional cooperation processes in Europe which is a follow-up to the Monaco

Conference on the same topic. The Conference will be organized by the Parliamentary Assembly of OSCE in partnership with the Parliamentary Assembly of the Council of Europe and ECE, and will take place in October 1999. The preparatory meeting agreed that the themes of the Nantes Conference will be: promoting the environment; energy security; social protection; and combatting corruption and criminality in business.

12. In addition, OSCE regularly uses the ECE Economic Survey of Europe which is widely disseminated at the annual OSCE Council and used as a background document for the discussions at its Economic Forum. Many of the activities falling under the auspices of the ECE Working Party on International Contract Practices in Industry are relevant to the work of OSCE in the economic dimension. ECE will continue to cooperate with OSCE in the development of projects under the SPECA initiative (see document E/ECE/1368).

Council of Europe

13. ECE has continued to cooperate closely with the Council of Europe. It hosted a meeting of the Committee on Economic Affairs and Development of the Parliamentary Assembly of the Council of Europe in Geneva to discuss the Economic Survey of Europe and a draft report on the activities of ECE to be submitted to the plenary session of the Parliamentary Assembly. On 26 May 1998, the Parliamentary Assembly endorsed the report which was very supportive of ECE activities. In future it would be useful if similar reports were focussed on more specific issues, in particular on conventions in discussion in Parliaments.

14. ECE participated in the 23rd Meeting of the Council's European Population Committee and coordinated preparations for the Regional Population Meeting held in Budapest in December 1998 at the invitation of the Government of Hungary. This meeting prepared a European contribution to the Special Session of the General Assembly and made recommendations for further research, policies and cooperation. The Conference of European Statistician will review the proposals that it may decide to implement.

15. A Parliamentary Assembly conference will take place in Copenhagen in May 1999 on "Seas as bridges: the potential for increased cooperation and development across Europe's seas". It will be organized by the Parliamentary Assembly of the Council of Europe in cooperation with ECE and with the support of the Parliamentary Assembly of the OSCE.

European Bank for Reconstruction and Development (EBRD)

16. The EBRD participates in the Build Operate Transfer Group under the Working Party on International Contract Practices in Industry and its legal

transition unit cooperates on the Terre Initiative with the Real Estate Advisory Group. EBRD uses data collected for the Economic Survey of Europe. It follows some SECI activities and finances a post in ECE to assist the CEI.

II. COOPERATION WITH INSTITUTIONS COVERING PART OF THE ECE REGION

Organization for Economic Cooperation and Development (OECD)

17. In the field of economic analysis close contacts have been maintained with the Head of the Non-Member Countries Division of OECD which deals with countries most of which are ECE transition economies. ECE regularly attended the meetings of the OECD Economic and Development Review Committee and participated in the OECD/World Bank Workshop on the Development of Fixed-Income Securities Markets in Transition Economies.

18. In the field of environment, the cooperation between the two organizations is broad and involves close intersecretariat relationships. A major field of cooperation is the environmental performance review programme where OECD experience is applied to a number of countries in transition within the ECE framework. In the case of Russia, there is currently a joint review, led by OECD. The Task Force for Central and Eastern Europe, serviced by the OECD secretariat, has the same geographical scope as that of ECE. Negotiations have been conducted on a secretariat level to ensure that necessary cooperation and transparency is secured in order to avoid duplication of efforts. In the area of Human Settlements the OECD work on spatial planning and urban governance issues is of particular interest to ECE.

20. Within the Energy Efficiency 2000 Project, the ECE Committees on Sustainable Energy and on Environmental Policy collaborated with the European Energy Charter, International Energy Agency (OECD) in the preparation of the European Energy Conservation Initiative for the Ministerial Conference on Environment for Europe held in Aarhus (Denmark) on 23-25 June 1998.

21. The ECE Working Party on Standardization of Perishable Produce and Quality Development has cooperated closely with the OECD Scheme for the Application of International Standards for Fruit and Vegetables. The OECD Scheme adopts UN/ECE standards and creates explanatory brochures based on them to facilitate their application. There are regular consultations between ECE and OECD, and participation of representatives at relevant meetings of both organizations. The need to streamline work on the adoption, dissemination and application of standards in this area is increasingly recognized and discussions between the relevant bodies of both organizations and their respective secretariats are well advanced.

22. OECD is an important partner of ECE in statistical cooperation. ECE relies heavily on data collected by OECD for its economic analysis of west

European and North American countries. In return ECE provides OECD with economic statistics for countries in transition and is strengthening its capacity in this regard. OECD is among the key intergovernmental organizations that actively participate in the Conference of European Statisticians, the plenary sessions of which are held alternately in the ECE and in Paris at OECD headquarters. Relationships between the two organizations are also well developed in the field of conceptual and methodological statistics and ECE organizes many meetings jointly with OECD.

22. As part of on-going cooperation with the OECD, during 1998 ECE contributed to seminars organized by the OECD'S Istanbul training centre for representatives from the CIS countries.

European Union (EU) and European Commission (EC)

23. While ECE has a wider geographical membership, as well as the experience, networks and experts for specific tasks in the region, the European Union and the European Commission have expanding membership and greater available funding for various projects. On the basis of this complementarity, collaborative activities in support of various dimensions of the transition processes in Eastern and Central Europe and in CIS countries have been developed. The most important area is assistance in introducing and implementing ECE's norms and standards throughout the region, norms and standards which become part of the acquis communautaire and are therefore of particular importance in the context of EU enlargement.

24. The European Commission continued to make a positive contribution to all aspects of ECE's activities. In the Committee for Trade, Industry and Enterprise Development, the EC has been particularly active in UN/CEFACT and provided a rapporteur on legal issues to the UN/CEFACT Legal Working Group. Within the WTO's informal discussions on trade facilitation, the EC was positive about ECE's work in this area. The EC also actively participated in the Forum on Intellectual Property Rights and generally provided active support to the ECE's trade and investment promotion activities.

25. In the Timber Committee, the EC took an active part in the Temperate and Boreal Forest Resource Assessment Project. Its Directorate General XVII presented the EU's energy policy during the last session of the Timber Committee. The EC joined ECE in preparing the annual questionnaire which was also done in cooperation with the Food and Agriculture Organization and the International Tropical Timber Organization.

26. The Statistical Office of the European Communities (Eurostat) is the main European organization with whom ECE needs to collaborate in the statistical field. The statistical work plans of Eurostat are integrated in the annual Joint Presentation of Work Programmes of all organizations having statistical

activities in the region. About a third of ECE statistical meetings in 1998 were organized jointly with Eurostat and a similar proportion are planned over the next two years. The ECE relies heavily on Eurostat for statistics on the EU countries and in return, Eurostat benefits from ECE data on countries in transition. Furthermore, Eurostat financially supports the participation of these countries in ECE statistical activities, thereby helping to alleviate deepening divergences in the region.

27. The EC is party to most ECE environmental Conventions and related Protocols; it signed the Aarhus Convention last year. It is worth noting the development of cooperation on Air Pollution in 1998. A Steering Group for the development of the EU acidification and ozone strategies, aiming at harmonization with the process under the ECE Convention on Long-range Transboundary Air Pollution, has been formed, consisting of members of EC, chairmen of bodies under the Convention and the ECE secretariat. The EC has increased its input into the work under the Convention and has made significant voluntary financial contributions to effect-oriented activities in 1998 and 1999. On air pollution monitoring the European Monitoring and Evaluation Programme (EMEP) under the Convention cooperates with the EC CORINAIR system, the European Environment Agency and associated topic centres on air quality and air emissions respectively.

28. Under the Convention on the Protection and Use of Transboundary Watercourses and International Lakes, cooperation between ECE and the European Commission focuses on the implementation of pilot projects on monitoring and assessment of transboundary rivers. Eight rivers in central and eastern Europe, which are shared by two or three countries in transition, are included. Financial assistance is being provided, inter alia, by the PHARE and TACIS programmes. The envisaged cooperation under the TACIS Interstate Programme will broaden the scope of the joint field projects to include the human health component.

29. The EU is a Contracting Party to a number of ECE legal instruments on transport and uses the ECE work in certain areas (e.g. construction of vehicles, transport of dangerous goods) as a basis for EU Directives. For its part, the ECE uses EU legislation in other areas as a basis for the development of its legal instruments on transport.

30. The Pan-European Transport Conferences, which have been organized by the EU in cooperation with other international organizations including ECE, address in particular the issue of region-wide transport infrastructure corridors. The follow-up to the third Conference (Helsinki, June 1997) has been undertaken jointly by the European Conference of Transport Ministers (ECMT), the EU and the ECE. An important follow-up to this Conference concerns Euro-Asian transport links and the ECE cooperated closely with the EU

as well as ESCAP in assisting the Russian Federation to organize the International Euro-Asian Conference on Transport (St. Petersburg, May 1998).

31. Work has been on-going on energy efficiency standards and labels in the context of the SACHA project supported by the EC SAVE programme within the framework of Energy Efficiency 2000 Project. Participating countries include Belarus, Bulgaria, Czech Republic, Germany, Hungary, Italy, Romania, Slovenia, and Ukraine.

32. The European Commission, through its Energy Centre in Katowice, cooperates and provides support to ECE activities relating to coal and thermal power, and certification of mining equipment and materials.

III. COOPERATION WITH UN ORGANIZATIONS

33. ECE cooperation with UN organizations active in the region is addressed in document E/ECE/1370.

IV. COOPERATION WITH SUBREGIONAL GROUPINGS AND INITIATIVES

34. It is interesting to note that two subregional groupings, namely the Central European Initiative and the Black Sea Economic Cooperation, asked ECE to provide them with an assessment of the trends in their respective geographical area. Nevertheless, the bulk of cooperation with subregional groupings is focussed on operational activities and therefore reported in document E/ECE/1368.